

## Message Text

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PAGE 01 CANBER 04174 100918Z  
ACTION EA-09

INFO OCT-01 ISO-00 CCO-00 CIAE-00 OTPE-00 EB-07 FCC-01  
INR-07 NSAE-00 OC-06 USIA-06 COME-00 BIB-01 /038 W  
-----101219Z 015647 /53  
R 100703Z JUN 77  
FM AMEMBASSY CANBERRA  
TO SECSTATE WASHDC 634

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E.O. 11652: N/A  
TAGS: ETEL, BTIO, EINV, EQIP, ETRD, AS  
SUBJECT: ITT AND ELECTRONIC LOCAL TELEPHONE EXCHANGE SWITCHING  
AWARD

REF: (A) STATE 129074, (B) PERCIVAL MEMCON, JUNE 7 (POUCHED  
EA/ANP), (C) PERCIVAL MEMCON, JUNE 9 (POUCHED EA/ANP)

1. ON JUNE 3, PRIOR RECEIPT REF A, CHARGE VISITED BY JAMES A.  
PURDY, PRESIDENT, ITT FAR EAST AND PACIFIC, INC., HOME-BASED IN  
NEW YORK, AND BY A.T. DEEGAN, GENERAL MANAGER, STANDARD  
TELEPHONE AND CABLE AUSTRALIA (STC), AND ALSO GENERAL MANAGER,  
SOUTH PACIFIC, ITT OCEANIA PTY. LTD., WHO HOME-BASED IN SYDNEY.  
PURPOSE OF CALL WAS TO INFORM US OF PROBLEMS DESCRIBED REF A.  
THEY TOLD US THAT IT THEIR UNDERSTANDING THAT TELECOM AUSTRALIA  
HAD RECOMMENDED TO MINISTER FOR POST AND TELECOMMUNICATIONS,  
ROBINSON, THAT ENTIRE CONTRACT BE AWARDED L.M. ERICSSON AND  
THAT ROBINSON, REALIZING IMPORTANCE OF MATTER, HAD DECIDED  
SUBMIT CASE FOR CABINET DECISION. THEY REQUESTED EMBASSY  
INTERVENTION, IN THEIR BEHALF, TO URGE THAT PROPOSED CONTRACT  
BE SPLIT BETWEEN ITT AND L.M. ERICSSON. ITT OFFICERS OUTLINED  
SIX "MAIN ISSUES" ON WHICH ITT FOCUSING ITS CAMPAIGN OBTAIN  
SHARE OF THIS CONTRACT AND PROMISED AT LATER DATE TO PROVIDE  
EMBASSY WITH A "POSITION PAPER" ON EACH.

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2. CHARGE AGREED THAT EMBASSY WOULD MAKE INFORMATL INQUIRIES  
INTO STATUS OF MATTER WITH TELECOM AUSTRALIA IN MELBOURNE, BUT  
THAT WE WOULD NEED MORE DETAILED INFORMATION BEFORE WE COULD  
DECIDE IF THERE IS A SOUND BASIS FOR MAKEING ANY REPRESENTATION TO  
GOA.

3. ON JUNE 7, EMBOFF, WHO IN MELBOURNE ON OTHER BUSINESS,

DISCUSSED MATTER WITH TELECOM OFFICIAL ANGELIN (FULL NAME AND TITLE UNKNOWN), IN ABSENCE TELECOM COMMISSIONER JACK CURTIS. ANGELIN WAS VERY GUARDED AND STATED THAT ALL INQUIRIES SHOULD REALLY BE DIRECTED TO CURTIS DIRECT. HE SUGGESTED THAT EMBOFF CALL CURTIS UPON HIS RETURN TO MELBOURNE ON OR ABOUT JUNE 14. EMBOFF STATED THAT EITHER HE OR PERHAPS DCM WOULD CALL CURTIS. SUBSEQUENTLY, ON JUNE 9, ANGELIN CALLED DCM TO SAY THAT HE HAD DISCUSSED MATTER WITH JACK CURTIS. CURTIS TOLD HIM THAT THE COMMISSION HAD MADE ITS DECISION AND PASSED ITS RECOMMENDATIONS TO THE MINISTER. MR. CURTIS ACCORDINGLY DID NOT WISH TO DISCUSS THE MATTER WITH THE EMBASSY AND SUGGESTED ANY FURTHER CONTACT THE EMBASSY MIGHT WISH BE DIRECTED TO MINISTER ROBINSON.

4. ON JUNE 9, EMBOFF CALLED DEEGAN TO DISCUSS THESE DEVELOPMENTS. DEEGAN SAID THAT IN HIS OPINION CABINET DECISION WOULD NOT BE TAKEN SOON AS INTERESTED MINISTERS AND THEIR DEPARTMENTS WOULD NEED CONSIDERABLE TIME STUDY MATTER. HE CONFIRMED FACT THAT ITT TEAM WOULD BE ARRIVING WEEK JUNE 13 TO PREPARE PAPERS ON SIX "MAIN ISSUES." EMBOFF REMINDED HIM OF PURDY PROMISE MAKE COPIES AVAILABLE EMBASSY IN ORDER WE BE IN POSITION DETERMINE WHETHER AND HOW TO INTERVENE. DEEGAN AGAIN PROMISED MAKE PAPERS AVAILABLE.

5. MEANWHILE, WE HAVE LEARNED THAT BELGIAN AMBASSADOR HAS RECEIVED INSTRUCTIONS TO "PLEAD" BTM'S CASE WITH THE GOVERNMENT, SINCE BTM WOULD BE PROVIDING SOME 25 PERCENT OF EQUIPMENT. HE PLANS TO SEND MINISTER A LETTER BASED PRIMARILY ON BELGIAN DEFICIT IN TRADE WITH AUSTRALIA.  
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6. COMMENT: ON FACTS TO DATE, THIS APPEARS TO BE CASE OF COMPETITION BETWEEN TWO MULTINATIONALS, EACH OF WHICH COULD FILL CONTRACT PREDOMINANTLY WITH PRODUCTS OF AUSTRALIAN SUBSIDIARIES. IN ADDITION, THERE WOULD BE SOME UNDEFINED PORTION OF U.S. AND/OR BELGIAN MANUFACTURE IN EVENT CONTRACT AWARDED TO ITT OR SWEDISH MANUFACTURE IN EVENT CONTRACT AWARDED TO ERICSSON. PENDING RECEIPT OF FACTS PROMISED BY ITT, WE CANNOT JUDGE WHETHER THERE IS ANY BASIS FOR U.S. REPRESENTATION IN THIS CASE. WE HOPE ITT WILL PRODUCE NECESSARY FACTS BEFORE GOA MAKES PENDING PROCUREMENT DECISION.  
ALSTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ELECTRONIC EQUIPMENT, TELEPHONE EQUIPMENT, PROPOSALS (BID), CONTRACTS  
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**Copy:** SINGLE  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
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**Office:** ACTION EA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Subject:** ITT AND ELECTRONIC LOCAL TELEPHONE EXCHANGE SWITCHING AWARD  
**TAGS:** ETEL, BTIO, EINV, EQIP, ETRD, AS, ITT  
**To:** STATE  
**Type:** TE  
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